



The First Mazoon Fund

The First Mazoon Fund JIA

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Oct 2011
173rd Month

Objectives

The primary objective of the fund is to achieve capital appreciation through a diversified portfolio of equity and Bond investments in public companies listed at GCC Markets and Mena region.

Fund Details

Manager	Gulf Baader Capital Markets SAOC
Custodian	HSBC Bank Middle East, Oman
Launch Date	June 10, 1997
Auditors	Horwath Mak Ghazali LLC
Current Size	RO 4,258 million
Units outstanding	4,707,333
Type	Open-ended
Subscription/redemption	Daily
Valuation date	Daily
Entry Fee	Upto 2%
Management fee	1.4% per annum
Performance fee	10%
Hurdle rate	10%
Redemption Fee	1% < 1 year
NAV/Unit	RO 0.905

Your Gateway to GCC Markets

Performance

	FMF	S&P GCC Comp.	MSM 30 Index
For the month	2.19%	1.83%	-0.26%
YTD	-9.88%	-9.10%	-17.28%
1 Year	-5.37%	-5.49%	-14.73%
3 year	8.71%	-6.34%	-10.02%
5 year	23.92%	-37.93%	-2.83%
Since inception	183.09%	na	48.07%

Percentage Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1997									21.0%	3.1%	1.2%	3.8%	22.9%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%	-54.6%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%	7.9%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-3.2%	0.9%	-3.9%	10.1%	-2.4%	-5.3%
2001	-2.9%	2.1%	3.8%	0.0%	-0.7%	0.7%	1.5%	-0.2%	-3.2%	-1.3%	-1.6%	1.8%	-0.2%
2002	5.6%	-0.2%	6.6%	6.0%	5.8%	2.3%	-0.5%	-2.3%	-1.8%	0.5%	2.2%	2.1%	22.8%
2003	-0.7%	-0.3%	4.6%	7.0%	0.6%	3.7%	7.0%	0.8%	-0.1%	-0.1%	1.9%	1.6%	23.9%
2004	5.2%	1.9%	0.0%	7.3%	8.6%	6.7%	0.1%	-1.1%	3.2%	0.7%	-1.4%	2.2%	32.8%
2005	6.7%	1.7%	15.7%	9.6%	2.9%	8.8%	-0.7%	-1.1%	-2.4%	-2.42	-2.78	1.87%	42.1%
2006	10.3%	-5.7%	3.76%	-2.12%	-6.34%	0.27%	-2.27%	7.64%	6.40%	4.05%	-6.02%	2.0%	11%
2007	2.93%	-0.32%	1.44%	3.34%	3.23%	2.33%	2.27%	2.61%	3.89%	8.91%	6.48%	9.12%	57.6%
2008	-0.28%	9.41%	0.73%	8.8%	2.18%	-0.11%	-4.6%	-8.12%	-10.25%	-20.91%	-3.18%	-10.8%	-33.9%
2009	-6.16%	-2.22%	2.73%	9.63%	6.77%	0.38%	3.77%	6.27%	4.36%	-1.15%	-0.83%	-2.26%	22.09%
2010	0.15%	3.00%	5.43%	1.79%	-10.37%	-1.76%	3.44%	-0.44%	5.25%	2.30%	0.43%	4.91%	13.91%
2011	-2.58%	-8.61%	6.06%	4.34%	-3.30%	-1.60%	-1.66%	-4.32%	-0.03%	2.19%			-9.88%

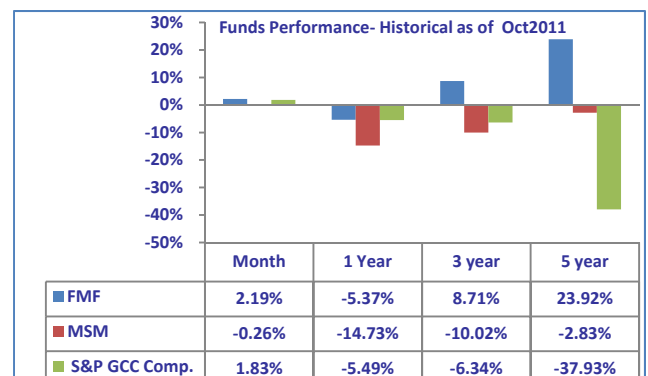
Market Review and Outlook

October was a month of consolidation for world markets, and the GCC was no exception to this. The positive undertones from Europe especially from the German Chancellor helped improve the sentiment. The S&P GCC composite index gained about 1.83% thereby reducing the year to date loss to 9.1%. The temporary relief given by the European Governments have boosted the risk appetite all across the globe and GCC markets too witnessed selective buying by Foreign investors. The results in the region particularly the Banking sector of Oman, Qatar and Saudi have been broadly above expectations and Petrochemicals were significantly higher than the market expectations owing to higher capacity utilization and realizations. The results incited fresh interest in the markets specifically Saudi Arabia where the turnover exceeded by more than 60% compared to previous month. Qatar and Saudi gained 2.69% and 1.92% respectively.

Outlook for November 2011: Notwithstanding the foreign investors' mood, investments in local infrastructure and development of social infrastructure are picking up momentum in the region. While still wary about any near-term end to the European crisis and improvement in investor sentiments, ground realities could be changing for the better in the region on account of higher social spending and job creations as a result of it.

Dividend

Financial Year ended	Cash	Stock
2010	5%	5%
2009	5%	15%
2007	10%	15%
2006	5%	5%
2005	10%	25%
2004	14%	14%



Fund Review for the 173rd Month

The NAV was RO 0.905 as at the end of Oct' 11 increased by 2.2% for the month as against the S&P GCC Composite Index gain of 1.83% and MSM30 Index loss of 0.26%. The average NAV per unit during the month was RO 0.885 after adjusting for dividends of 5% cash and 5% stock. There were subscription of 225,112 units and no redemption for the month. The total number of units now stands at 4,707,333. The net asset value stands slightly lower at RO 4.26mln.

TOP 5 Holdings

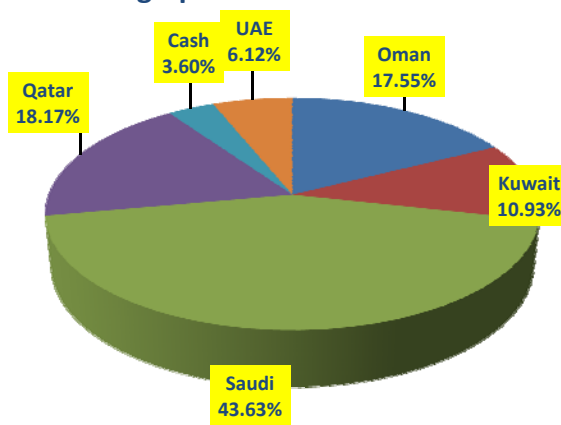
	%
Saudi Basic Ind. corp	9.25
Al Rajhi Banking Corp	5.78
Bank Muscat	5.05
National Bank of Kuwait	4.08
National Bank of Oman	3.70

Past Five years

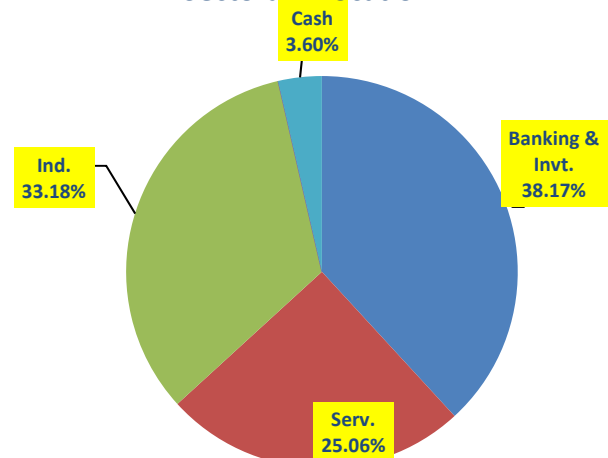
	FMF	MSM	FMF	S&P GCC Comp.
Average Monthly Return	0.52%	0.19%	0.52%	-0.53%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-24.7%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	4.4%	-0.6%	4.4%	-9.1%
Annualized Volatility	19.5%	23.3%	19.5%	24.6%
% of winning months (against benchmark)	52.5%	na	64.4%	na
% of gained months	59.3%	64.4%	59.3%	45.8%
YTD	-9.88%	-17.28%	-9.88%	-9.10%
Beta	0.76	na	0.65	na
Sharpe (RF 4.5%)	(0.01)	(0.22)	(0.01)	(0.55)
Information ratio	0.25	na	0.69	na
Alpha	3.7%	na	8.7%	na

Asset Allocations:

Geographical Allocation

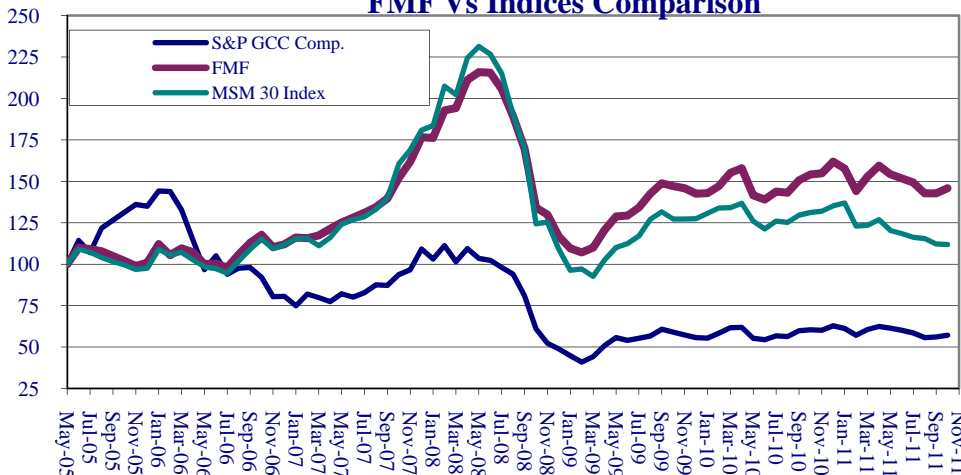


Sectoral Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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